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1. The General Directorship of Chemapol in Prague has the following leading personalities:
  - a. Dr. Ing. Vilem Sada, General Director. He is a Communist of long standing; he does not approve, however, of the drastic measures now being carried out in Czechoslovakia and tries to keep non-Communists in their present responsible positions.
  - b. Karel Bulaty, Deputy General Director. He is a fanatical Communist, vindictive towards those opposed to the present regime. It is obvious that he has Sada under observation.
2. The Directorship is divided into commercial and administrative sections, with the following directors on the staffs:
  - a. Commercial.
    - 1) Deputy General Director Karel Bulaty is the first director, responsible for the department concerned with the purchase of naphtha and raw oils.
    - 2) J. Blahuta, a Slovak, is a director and is also branch manager of the Bratislava Chemapol Company at Hviezdoslavovo nam. 14. This branch deals mainly with the purchase of raw materials such as pyrites, salts, and phosphates, and also with the export of charcoal, artificial tissue, and the like. Blahuta is also a Communist.
    - 3) Ing. J. Klir is another director; he was former manager of the Prague branch of the Ostrava Chemical Works. He is in almost complete charge of the commercial activities of the Prague central office.

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b. Administrative

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- 1) Ing. Jar. Ksikal, one of the directors, [redacted] who [redacted] after the war [redacted] became manager of Orbis (sic). [redacted]

[redacted] Recently he was arrested and detained for one week on the charge that he owned a house and led a "capitalist's life." He was released through the intervention of General Director Sada and the trade union organ of Chemapol.

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- 2) Dr. Fleischer is cadre director. He is a fanatical Communist [redacted]

[redacted] He is the Communist Party representative, and his duties correspond to those of a "political commissar" in the USSR; except for Bulaty he is the most dangerous person in Chemapol.

3. Chemapol has 600 employees, of whom only 28 per cent are members of the Communist Party. Yearly salaries amount to 100-130 million Kcs. Chemapol fulfils about 80 per cent of its export plan. Exports to Eastern countries far exceed the quota set by the plan, while exports [redacted] fail considerably to meet the quota.

4. In October 1949, the chemical industry realized its quota under the Five Year Plan by 100.5 per cent, as compared with 105.8 per cent in September 1949. Such fluctuation was apparently caused by an irregular supply of raw materials, non-realization of some of the planned inventions, and installation of new machinery.

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5. After the second phase of nationalization, thirteen national chemical plants were in existence: nine in Bohemia/Moravia and four in Slovakia. As a result of the latest reorganization, twenty-five additional national enterprises have been formed. Thus, there is now a total of thirty-eight independent producing units: twenty-nine in Bohemia/Moravia and nine in Slovakia.

6. Trade with the USSR and the Satellites is becoming increasingly difficult because these countries select the most valuable goods without consideration for what is available to all. The chemical industry appears to be especially affected by this difficulty. Upon Soviet assurances to purchase certain goods, the industry increased production excessively, although these items were of negligible value in trade [redacted] Recently, however, when negotiating new contracts, the Eastern Bloc has proved reluctant to keep its promises.

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7. In spite of the orientation of the economic life in Czechoslovakia towards the East, the Ministry of Foreign Trade, because of foreign currency difficulties, has directed that priority be given consignments for [redacted] even if it should become necessary to neglect orders for the East.

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8. The Czechoslovak Stalin Works have begun production, still largely experimental, of gasoline for aircraft; most of this gasoline was formerly imported. [redacted]

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